

WORLD INSURANCE REPORT 2019



Risk landscape is evolving. Can insurers keep up?



Macro Trends

- Environment
- Technology
- Social and demographic
- Medical and health
- Business

are driving the emergence of

High-impact new risks, including

- Rising natural catastrophes
- Geopolitical risks and protectionism
- Health and longevity related risks
- New infectious diseases
- Cyber risk



The vast majority of customers feel unprotected

Less than **15%** of personal policyholders and under **25%** of business customers

3% of individuals and **18%** of commercial customers

Only **1 in 10** of individual customers

feel they have comprehensive coverage for



Emerging Risks



Cyber Risks



Medical and Health Risks

Insurers' current product pipelines don't sync with customers' risk concerns

- Fewer than 40% of life and health insurers have built a product pipeline to comprehensively cover emerging risks
- More than 55% of customers are willing to explore new models, but only 26% of insurers are doing so

Insurers can fill the coverage gap



- Continuous, real-time risk assessment
- Scanning market dynamics via
 - External customer databases
 - Behavioral analytics
- Risk control and prevention
- Accurate risk quantification via
 - Machine learning
 - Artificial intelligence
 - Advanced analytics
 - Automated risk assessment

Success pillars for creating insurance products in a dynamic risk environment

- Enhance back-end systems to enable data-led strategy tools
- Connect with InsurTechs and other ecosystem players through integration and open APIs
- Adopt a cloud-native approach

The 3P customer engagement model for comprehensive risk management



Partner

Become more active in policyholders' daily lives through value-added services



Preventer

Offer risk-control consulting and advice



Payer

Cover potential loss

OUTCOMES FOR

Policyholders

- Greater safety
- Reduced premiums

Insurers

- Better customer experience
- Lower claims costs

The 3P model

enables a win-win scenario for customers and insurers